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Inspection

SEP 18 1957

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MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT : Inspector General's Suggestions for Improvement
of the Central Intelligence Agency

This is in response to your memorandum of 29 July 1957, wherein you requested my comments and/or report of action taken on certain portions of subject report, namely, Personnel Management, Reduction in Manpower, and Paper Work. You also requested my comments on a list of personnel which was included in the report. For the sake of order, I have commented generally on each subject and followed up by giving specific comments on the Inspector General's recommendations.

A. PERSONNEL MANAGEMENT

1. General Comment

The role of a Personnel Office in any agency is difficult and fraught with problems. In CIA the personnel function has been even more trying. The rapid growth, the ever-changing organizational structure, the turnover of personnel, and absence of clear cut Agency policies, all coupled together, created very substantial problems for the Office of Personnel. I believe that we are over the hump now on many of these problems and that the Office of Personnel, for the first time, is in a position to develop a sound Personnel program which will provide the kind of service normally expected from a well organized Personnel shop.

2. Inspector General's Recommendations

a. Recommendation (1). "That an aggressive campaign be undertaken to reduce the number of individuals handling personnel matters."

Comment I agree that we should make every effort to reduce the number of individuals handling personnel matters and I am pleased to report that some progress has been made in this direction. The number of employees on duty in the Office of Personnel has been reduced from a high of [redacted] in July 1957. The current ceiling in the Office of Personnel is [redacted]. While this number added to the number of people engaged in personnel work in other parts of the Agency is substantial and admittedly is out of proportion to

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the number of personnel people used in other Federal agencies, it is a fact that our Office of Personnel performs many functions which are not typically performed in personnel offices, e.g., Central Processing Branch, Benefits and Casualty Division, Contract Personnel Division, Military Personnel Division, Personnel Procurement Division. Over and above these additional functions there are other factors such as security considerations, compartmentation, and classification of records, which tend to increase the workload.

Our real problem, however, is that despite the fact that several studies have been made within the Agency on the number of personnel engaged in personnel work, there has been no conclusion showing that there are too many such employees or that the number we have now is fully justified. In order to establish the facts, we recently assigned a senior Personnel Officer who is exceedingly well versed in the technical field of personnel management and procedures and who has had both Headquarters and Field experience as a Personnel Officer, to devote his time to reviewing all personnel activities, wherever performed in the Agency and to analyze them for the purpose of identifying them as over-elaborative, unnecessary, or duplicative.

b. Recommendation (2). "That if the decision is made that the Director of Personnel continues to be without command authority that the Personnel Office be assigned only two major functions -- the processing of personnel actions and maintenance of records, and supporting the development of personnel policy by you and the Career Service Board."

Comment On 30 April 1957 we submitted to the Director separately a staff study on the role of the Director of Personnel. This staff study was returned with the request that it be revised to include more specific recommendations concerning the Director of Personnel's responsibilities. This revision has been made and the staff study is now en route to the Director. A copy of this staff study is attached as Tab B.

It is my belief that the Director of Personnel's duties and responsibilities as set forth in this paper are sound, and, if adopted, will result in a better personnel program for the Agency. I do not concur with the idea of assigning to the Office of Personnel only those two functions of (a) processing of personnel actions and maintenance of records, and (b) supporting the development of personnel policies. The additional multitude of services of common concern which are provided by the Office of Personnel are still needed, and, if located elsewhere in the organization, the same number of personnel, if indeed not more, would be required to perform them.

I recommend that the proposed role of the Director of Personnel as set forth in the staff study be approved.

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c. Recommendation (3). "That the Office of Training should increase even more its management courses and that top executives be required to attend."

Comment I question the wisdom of the recommendation that top executives be required to attend management courses. Such an order would thrust many in to training without regard to their motivation or readiness with the result that it would greatly reduce the effectiveness of management training for others. Every effort is being made to identify and increase the effectiveness of management and supervisory training within the limits of available staffs. We are also taking more advantage of the many opportunities offered in external training courses.

I recommend that the determination of who should attend supervisory and management courses be left to the discretion of Operating supervisors.

d. Recommendation (4). "That all supervisors be given a brief written statement of their personnel management responsibilities."

Comment In June 1956 you signed a Notice titled "Personnel Policy - Supervision" which was distributed to [REDACTED] personnel. This Notice is most explicit in outlining to supervisors their responsibilities with regard to utilization of personnel, job performance, etc. As this Notice is relatively current, it would not appear that an additional issuance to supervisors at this time is warranted.

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e. List of Personnel - Regarding the list of personnel which you requested that I comment on, there is attached as Tab A a list of the personnel with comments on each individual. You will note that many of these cases have been resolved.

Regarding the unresolved cases, I believe it necessary and proper that the Deputy Director (Intelligence) review their current work and that he initiate proper action based upon his findings. Since we are presently planning a systematic review of all personnel, I would recommend that the DD/I not restrict his review to the ones on this list.

One general comment on this list of personnel is that insofar as the official record of these people is concerned, their services are recorded as being satisfactory. Under such circumstances the Office of Personnel, of course, has no basis to take any action other than trying to find them assignments elsewhere.

B. REDUCTION IN MANPOWER

1. General Comment

I believe that the Congress, the Bureau of the Budget, and the President's Board of Consultants on Intelligence Activities firmly believe that the Central Intelligence Agency has too many

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people, particularly in Washington. In fact, I would not know where to turn to find a responsible body outside of the Agency which would support a contrary view. Furthermore, I believe it is the consensus of our senior people that this is a fact. So, I start with the assumption that we haven't very much chance of proving to outsiders something in which we don't really believe ourselves. I think that we would have no trouble in convincing these outsiders of our need for more people overseas, but, unfortunately, our continued expansion for the past two or three years has been almost completely at Headquarters. Then, too, our total strength must be consistent with our budget presentation. So, as a practical matter, if our total strength is not to increase, expansion in the field should be compensated for by at least corresponding decreases in Headquarters.

Some savings probably can be effected through the weeding out of inefficiently utilized personnel or by the elimination or reduction of overlapping or duplication within units and as between other units. Components where increased efficiency is thus gained, however, can usually present a convincing argument for utilizing the positions gained to do a better job or take on a new "essential" function. In any case, this is not enough.

Since there does not seem to be any reason to change the current major Agency structure which sets up the Office of the Director and the DD/P, DD/I, DD/S, and DD/C complexes, it follows that other organizational changes which might be in order should be effected by the Deputies themselves. However, as a practical matter I am pessimistic that we are likely to make organizational changes which will result in significant savings. In the DD/S area, for example, the organization of the other major complexes and the requirements levied upon us by them largely dictate the size of our organization.

The greatest chance for reduction probably lies in the elimination of functions, whether it be done by a Deputy Director, by mutual agreement between two or more Deputies, or by the Director. I believe that this problem could be approached with a priority-function concept. The head of each organizational component, however large or small, should be able to list his functions according to his judgment of priority. If forced to consider a reduction, he could then decide, if not other component were affected, which function should be eliminated. When other components were affected, someone higher in the command chain would make the decision, and, finally, when two or more major complexes were involved, an Agency mechanism such as the Project Review Committee might need to pass judgment. This is not a simple process, but I believe that the principle is sound.

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2. Inspector General's Recommendations

a. Recommendation (1). "That you set a figure as to the maximum size of the Agency with an indication of precisely how many employees will be allowed in Washington. (I see no reason why the Agency cannot continue to grow overseas, but only as rapidly as the development of unofficial cover will permit.)"

I concur in this recommendation.

b. Recommendation (2). "That the number of employees which you determine should be allowed in Washington coincide precisely with the number of employees that can be housed in the new building, and that if our present size is greater than this number, an Agency-wide phase-down plan be attempted."

I do not concur in this recommendation. This would mean reduction in our Headquarters strength of about 25%. We do, however, need a firm statement from the Director that he wants a reduction and we need a specific target, be it 5%, 10%, 25%, or more.

c. Recommendation (3). "That one central focal point be established to review on an Agency-wide basis any increase in size and be charged with making the final recommendations to you; e.g., an Executive Director, perhaps after a review by the Project Review Committee."

Comment I agree that there should be an Agency mechanism to review proposed increases. I believe, however, that once a firm ceiling is established, the same procedure as proposed in my general comment on this subject in reducing strength, i.e., "priority-function" concept could be followed, using an Agency mechanism such as the Project Review Committee, when needed.

C. PAPER WORK MANAGEMENT

1. General Comment

While I concur with the Inspector General that there is too much paper work in the Agency, I am not entirely convinced that this problem is as serious as it is sometimes painted either here in the Agency or in the Government as a whole. Our organization is a large and complex one and while we should be forever on the alert to reduce paper work, we must nonetheless accept the fact that a lot of paper work is necessary and unavoidable.

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I believe we have in the Agency today a reasonably effective program in controlling the amount of paperwork, especially in the case of forms, records maintained, reports prepared, regulations, and other material which lends itself to some type of control. I do not believe it is feasible to go to extremes in establishing controls over paperwork as we would soon reach a point of diminishing returns.

I believe that we can rightfully be proud of certain progress made in reducing the amount of paperwork and that we can expect bigger dividends in the future. For example, we are currently working on a rather ambitious project designed to reduce materially the number and size of regulations. This project is not in the idea stage but is actually in being. We have already completed a review and analysis of all regulatory material pertaining to Logistics, Personnel, Comptroller, and Security, and, as a result, have come up with a plan of action which is best described by the following table:

<u>Office</u>	<u>Present Total Regs. & Notices</u>	<u>Proposed Regs. & Notices</u>	
Logistics	45	5	5
Personnel	52	6	6
Comptroller	40	5	5
Security	32	3	3

The material on the Office of Security and the Office of Logistics will soon be ready for Agency coordination.

More recently, we completed a review within the Support Services of all the reports required from the Machine Records Division, and, as a result of this analysis, we eliminated 939 tabulations out of 9,253 and eliminated 863 copies of tabulations out of a total of 38,424.

One other point worthy of mention is our Agency-wide disposition program. Attached as Tab C is a graphic description showing the development and result of the records disposition scheduling activity.

2. Inspector General's Recommendations

a. Recommendation (1). "That all Agency files be surveyed on a unit-by-unit basis and each unit told exactly what files it can and cannot maintain."

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Comment From a practical standpoint, I do not believe such a survey is feasible, and, even if conducted, we would not be able to muster a sufficient number of people qualified to exercise the judgment required. I, therefore, do not concur in this recommendation.

b. Recommendation (2). "That, if an Executive Director is created he be empowered to exercise, on your behalf, authority over what should and should not be issued on paper."

Comment I do not concur in this recommendation. As a matter of principle, I do not believe it sound to vest this authority in one individual. Moreover, from a sheer time and volume standpoint, I doubt if any one person could effectively redeem such a responsibility.

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L. K. WHITE
Deputy Director
(Support)

Attachments

- Tab A - List of Personnel
- Tab B - Staff Study
- Tab C - Records Disposition

~~cc: Inspector General~~

EA-DD/SCEB:dlc (16 Sep 57)

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